



MILLCREEK
COMMERCIAL



Surgical Ambulatory Regional Centers | Draper, UT



The Tenant in Common (TIC) interests sold by Millcreek Commercial Properties constitute interests in real property. They do not constitute securities. Consequently, federal and state laws regulating the sale of securities do not apply with respect to the sale of TIC interests, and purchases of TIC interests will not be entitled to the protection afforded to purchasers of securities under federal and state securities laws. Nothing in the attached offering documents should be construed as an offer or a solicitation of an offer to buy or sell securities.

Office: 801.899.1943 | www.MILLCREEKCOMMERCIAL.com

Millcreek Commercial | 2100 S Pleasant Grove Blvd. Ste 200, Pleasant Grove, UT

Property Information

Tenant	Surgical Ambulatory Regional Centers
Location	13775 S Pony Express Rd., Draper, UT
Property Type	Freestanding, Medical
Building Size	19,772 SF
Purchase Price	~\$22,000,000
Cap Rate	6.25%

SARC's mission and business strategy is to provide better, more consistent, comprehensive care solutions by vertically integrating urgent care facilities with ancillary services and new technologies. The intended outcome is to provide a broader continuum of patient care at a lower cost and generate significantly higher operating margins.

Draper, UT

Draper City is an exciting, vibrant city with strong economic growth and high quality of life. People choose to live in Draper because of the location and the beauty of the community, as it sits nestled in the corner of the southeast portion of the Salt Lake Valley. This site is located across the street from a State of Utah sponsored megasite economic development project.

About Tenant In Common

Tenant in common or TIC ownership allows two or more people to hold an ownership interest in a property. Each property owner or business entity holds its own separate stake in the property and receives a deed. Their interests do not have to be equal.

This Millcreek Commercial property has the following characteristics:

- Property is offered debt-free
- Long-term, corporate-guaranteed lease
- Satisfies IRS requirements for 1031 exchanges



Office | 801.899.1943

www.MILLCREEKCOMMERCIAL.com



Lease Information

Lease Guarantor	Healthcare Solutions Management Group
Initial Lease Term	20 years
Rent Increases	2% increases every year
Renewal Options	Two 5-year options
20 Yr. Avg. Return	7.593%

Year	Cap Rate
2020	6.250%
2021	6.375%
2022	6.502%
2023	6.633%
2024	6.765%
2025	6.901%
2026	7.039%
2027	7.179%
2028	7.323%
2029	7.469%
2030	7.619%
2031	7.771%
2032	7.927%
2033	8.085%
2034	8.247%
2035	8.412%
2036	8.580%
2037	8.752%
2038	8.927%
2039	9.105%



Surgical Ambulatory Regional Centers (SARC)

Largest Network: Development of 350 Comprehensive Care Centers will create the most extensive branded system in the country.

Significant Margins: By vertically integrating, they will capture revenue and margins that have historically been “lost” in the channel to sales, marketing, and third-party providers. This will result in significantly enhanced operating margins.

Building a Brand: A key element to their strategy is to acquire reputable family practice to establish themselves in each community they target. Clusters of facilities will provide better access and more consistent care to patients in their system.

New Technologies: They intend to use new technologies and more comprehensive diagnostic capabilities to improve patient care and access and to give their medical teams more tools to provide superior care.

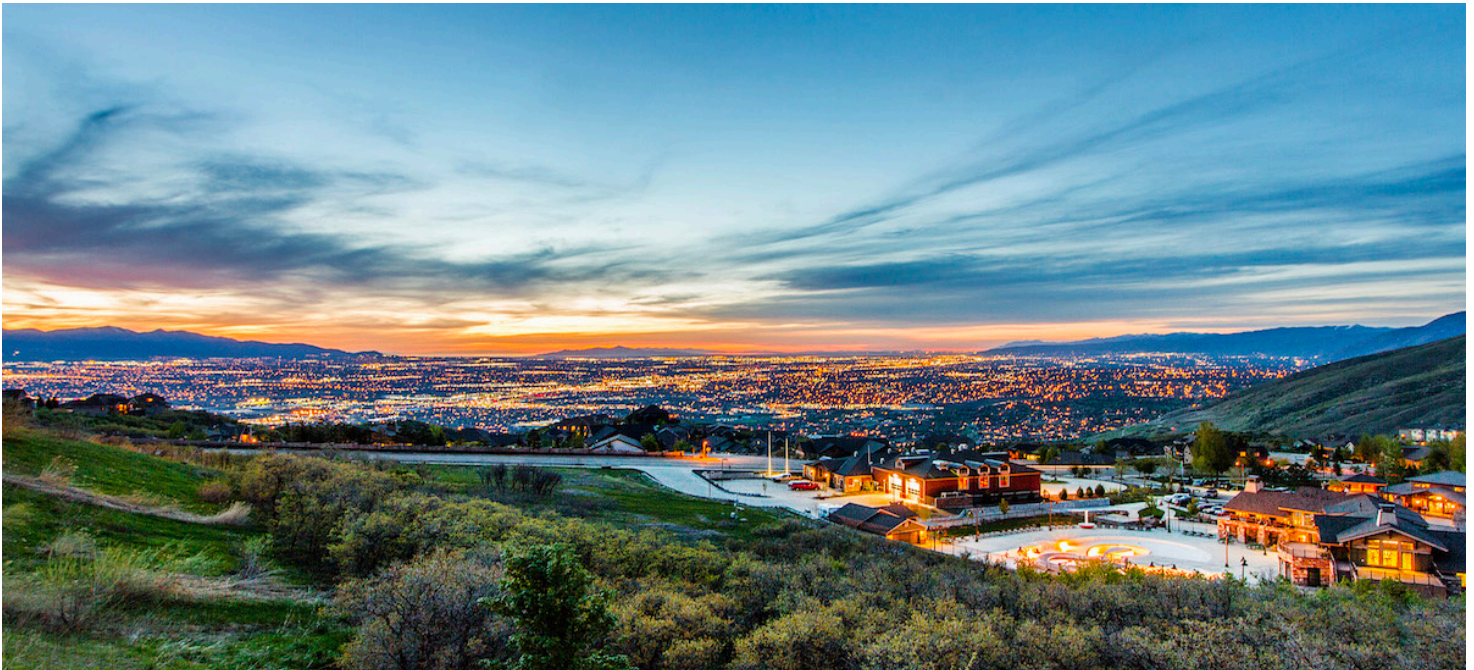
Backed By Strength

Healthcare Solutions Holdings, Inc. “HSH” is a publicly-traded medical service and device company focused on providing clinicians with state-of-the-art diagnostic and therapeutic tools. HSH’s mission is to provide clinicians with broader access to the most advanced technologies in the Healthcare Industry. Technology proliferation drives progressive methods of testing patients, leading to superior patient outcomes.

HSH not only helps physicians deliver better healthcare but also assists them in remaining compliant with industry best practices.

The Tenant of Your Dreams

Millcreek Commercial is developing properties specifically for Surgical Ambulatory Regional Centers. SARC, in cooperation with Healthcare Solutions Holdings, Inc. (HSH), meets our pillars for success. With each property, SARC will sign a 20-year NNN lease with 2% rent escalations annually, all backed by an HSH corporate guarantee and insured by Lloyds of London.



Draper, Utah

Draper is an exciting, vibrant city with strong economic growth and high quality of life. People choose to live in Draper because of the location and the beauty of the community, as it sits nestled in the corner of the southeast portion of the Salt Lake Valley. The Wasatch Mountain Range is the eastern border of the city, with the Traverse Range to the south, expanding to the vast Salt Lake Valley and its 1,000,000+ residents to the north and west.

- The current population estimate is **48,319**
- Median Age: **30.7 years**
- Mean Household Income is **\$120,088**
- Median Household Income is **\$94,852**
- Total Households: **12,287**
- Owner Occupied: **9,708**
- Renter Occupied: **2,579**
- Median Home Price: **\$434,450**
- Median Rental Rate: **\$1,156**

Draper has 100 miles of city and mountain trails. The city purchased 4,076 acres of open space in the foothills of Draper, known as the Corner Canyon Regional Park (1,021 acres), at Little Valley (142 acres) and in the Suncrest area (2,913 acres). Draper is located 20 minutes from world-class skiing at Alta, Snowbird, Brighton, and Solitude, and a 45-minute drive to Park City, Deer Valley, and Canyons Ski Resorts. Draper is known as one of the best paragliding sites in the world.

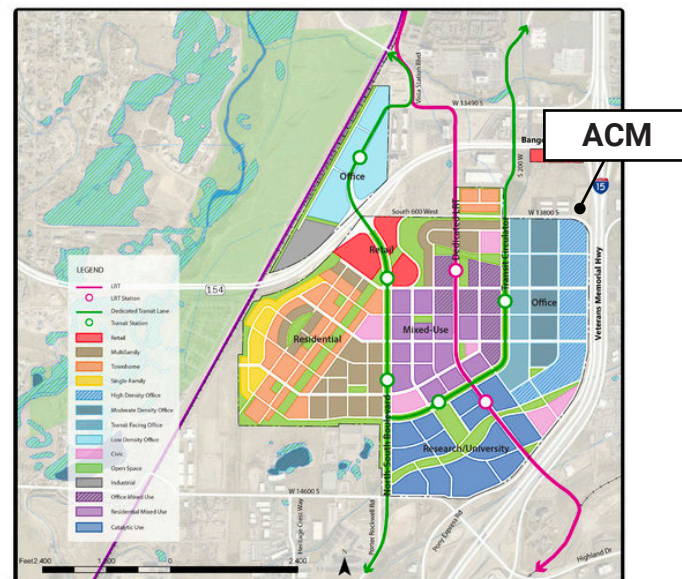


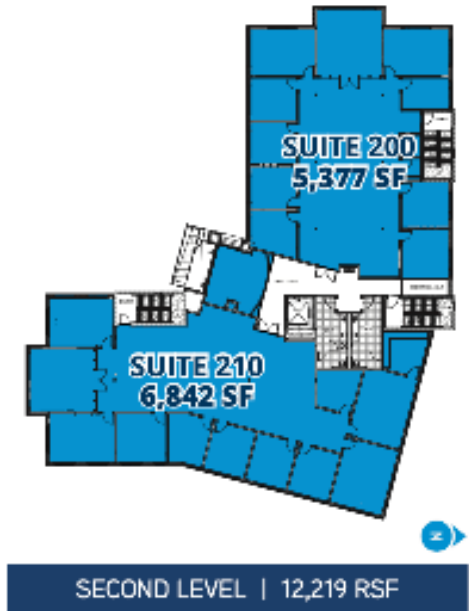
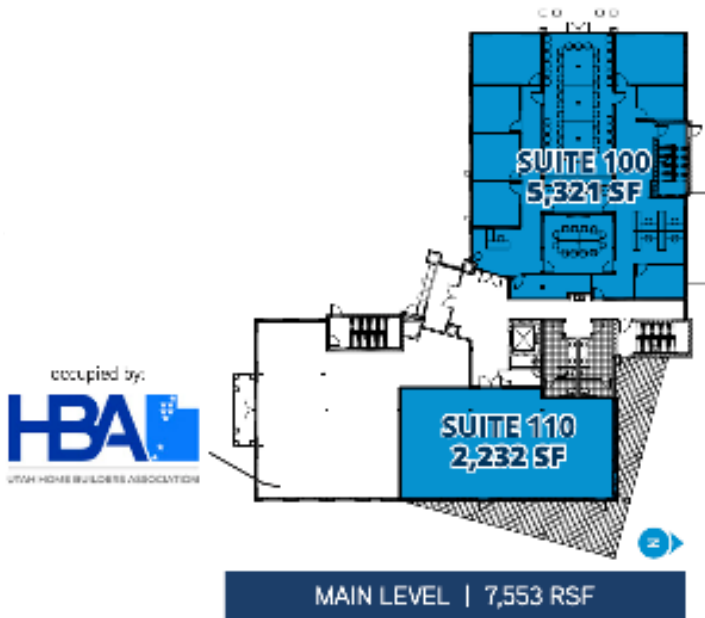
Utah State Penitentiary Relocation

The upcoming relocation of the Utah State Prison in Draper was at the center of the discussion surrounding the future of these communities. Currently, inmates are expected to be moved from the Utah State Prison site in Draper to the new prison site in Salt Lake City's northwest quadrant by 2021 or early 2022, according to Draper Mayor Trent Walker. The specific timetable for this megadevelopment following the prison relocation is unspecified at this time and will bring growth and opportunity to Draper for decades to come

The state currently owns the land adjacent to this ACM property, and a state commission was appointed to come up with a plan for the land.

One of those proposals includes 8.775 million square feet of office space, 6.64 million square feet of mixed-use space, 1.375 million square feet of institutional/research and development space, 1.150 million square feet of commercial space, 4,200 high-density residential units, 880 medium density residential units, and 105 acres of open space.





Condominium Potential

This building is platted as a condominium. As such, instead of owning a tenant-in-common (TIC) interest in the property, buyers may choose to own an entire condominium unit as sole owner. This allows, among other things, an owner to leverage their purchase. The master lease described in this OM covers all four condominium units.

Suite 100

Building Size | 5,321 SF

Suite 110

Building Size | 2,232 SF

Suite 200

Building Size | 5,377 SF

Suite 210

Building Size | 6,842 SF



Lease Abstract

Tenant	Surgical Ambulatory Regional Centers
Guarantor	Healthcare Solutions Management Group
Address	13775 S Pony Express Rd., Draper, UT
Building Size (SF)	19,772 SF
Year Built	2019 - 2020
Rent Commencement	July 2020
Lease/Rent Expiration	July 2040
Lease Term Remaining	20 Years
Rental Increases	2% annual
Renewal Options	Two five-year options
Renewal Notice	6 months
Option Increases	Yes
Lease Type	Absolute NNN bonded
Landlord Responsibilities	Zero
Insurance/Taxes/CAM/Utilities	Tenant
ROFO	No
Estoppel	On file
Default Bond	1 year of rent payments if in the first 48 months
Ownership Interest	Fee simple estate



Millcreek Commercial

801.899.1943 | contact@millcreekcommercial.com

